

Department of Administration

State Information Technology Services Division

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Agenda

- Background
- Past Cost Recovery Issues
- Financial Transparency Model (FTM)
 - Expenditure History
 - Services
- HB2 Fixed-Cost Reduction
- Key Accomplishments
- Continuing Priorities
- DP 55400 (pg A-181)

Division Structure

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graph TD; A["Chief Information Officer  
Division Administrator"] --> B["Deputy CIO Office"]; A --> C["CIO Support Office"]; B --> D["Continuity Services Office"]; B --> E["Customer Service Management Office"]; B --> F["Technology Services Office"]; B --> G["Financial Services Office"]; B --> H["Geographic Information Services Office"];
```

Total FTE – 184.00 HB2 FTE – 9.50

Background

- Mission: Provide shared IT services to support needs of the State and citizens of Montana
- Provide over 200 individual IT services to state agencies and governmental entities
- Manage 2 data centers:
 - Helena
 - Miles City

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Legal Authority

- The Montana Information Technology Act (MITA) (2-17-504, MCA) establishes the position of CIO and outlines division responsibilities, including:
 - Maintain a central computer center
 - Maintain a voice, video and data telecommunication network
 - Manage the state 9-1-1 program (10-4-301...313, MCA)
 - Approve agency IT plans, system specifications and contracts

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Legal Authority *continued*

- Administers the Montana Land Information Act (90-1-401 et seq, MCA)
 - Develop a standardized, sustainable method to collect, maintain, and disseminate information in digital formats about the natural and artificial land characteristics of Montana

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Funding

- **Proprietary Fund:**

- \$40,209,096

- **State Special Funds:**

- Geographical Information System (GIS) - \$1,078,612
- 9-1-1 Distributions- \$11,052,256 (statutorily appropriated)
- 9-1-1 Program \$301,083

- **General Fund:**

- Public Safety Radio Program - \$508,363

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Past Cost Recovery Issues

- 2007 Session Discussion
- Document & Justify Costs
- Define Services
- Match Agency Needs and Resources
- Align Rates with True Costs

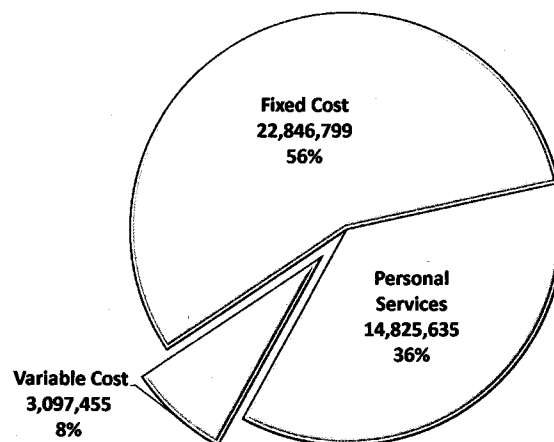
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Financial Transparency Model (FTM)

- Identify Services
- Zero-Based Budgeting
- Agency Involvement
- Understandable Allocations
- Defensible, Transparent and Fair Rates
- Customer Focused
- Compliant with Federal Standards
- Gartner Research, Inc. Review – world's leading IT research and advisory company.

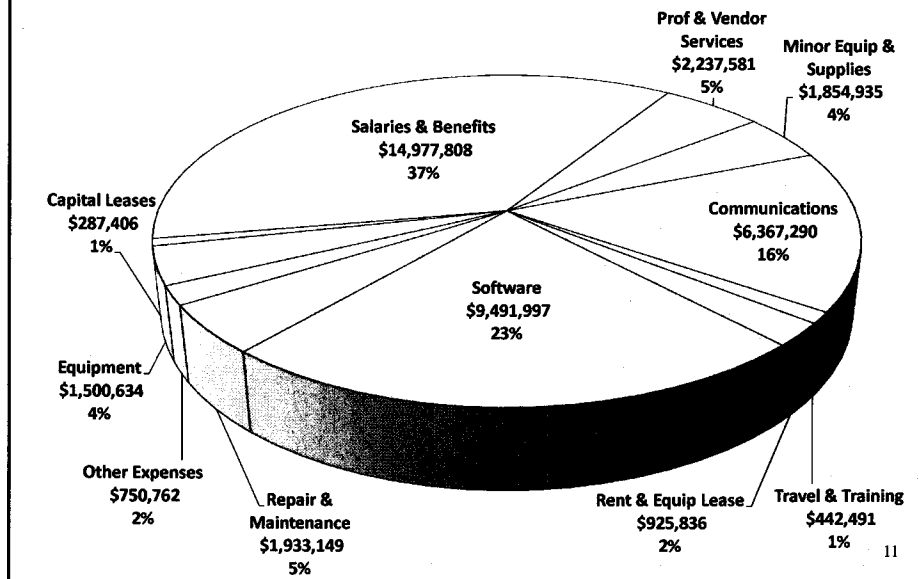
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FY 2010 Actual Expenses



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FY 2010 Actual Expenses by Category



Major Services

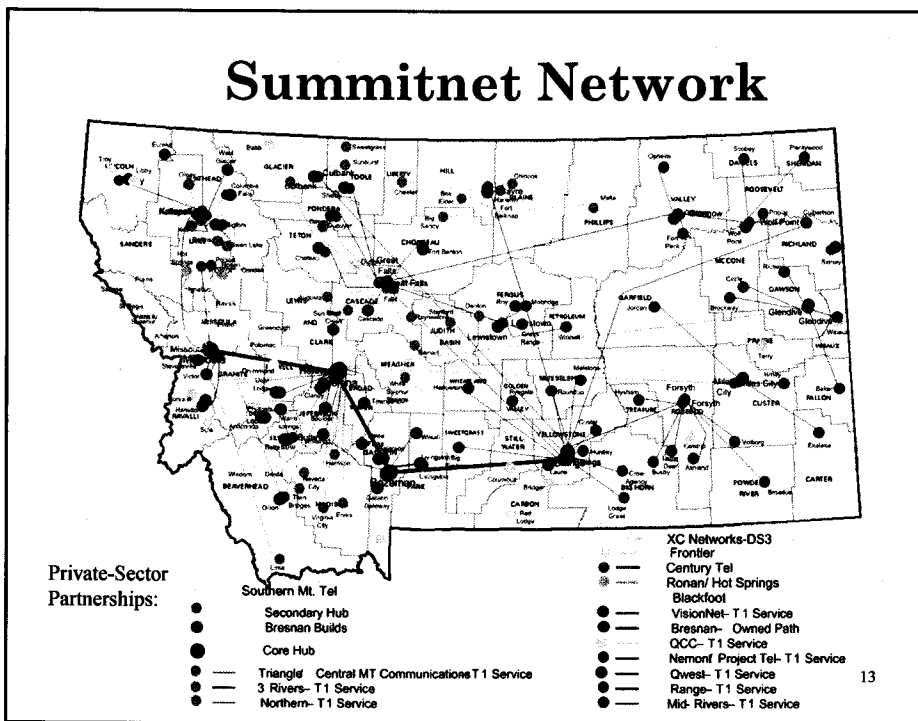
• Network Services:

- Local and Wide Area Networks across the state
- 14,000 State connections and 550 state sites
- Links with and supports the university system, federal and local governments

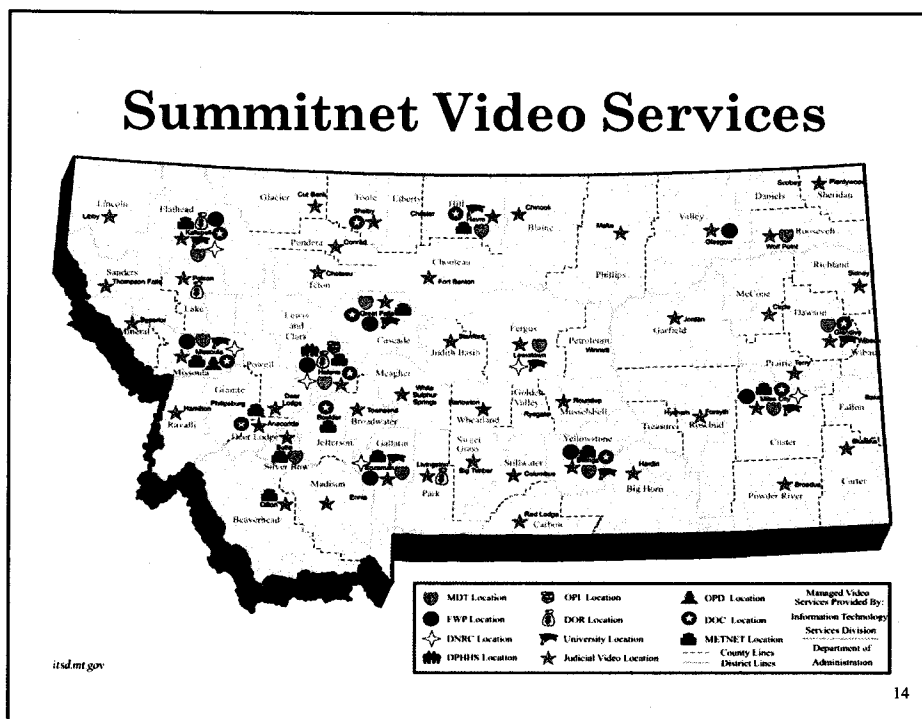
• Voice Services:

- Manages services for state agencies and partners with the university system
- Provides service to 25,000 handsets and 38 stand-alone telephone switching systems

Summitnet Network



Summitnet Video Services



Major Services *continued*

- **Enterprise Services:**

- Required services that benefit state agencies such as Continuity of Government and Enterprise Security

- **Enterprise Applications Services:**

- Key IT infrastructure applications for State users including the state email system, user security authorization (Active Directory), and the MT.GOV web pages

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Major Services *continued*

- **IT Hosting Services:**

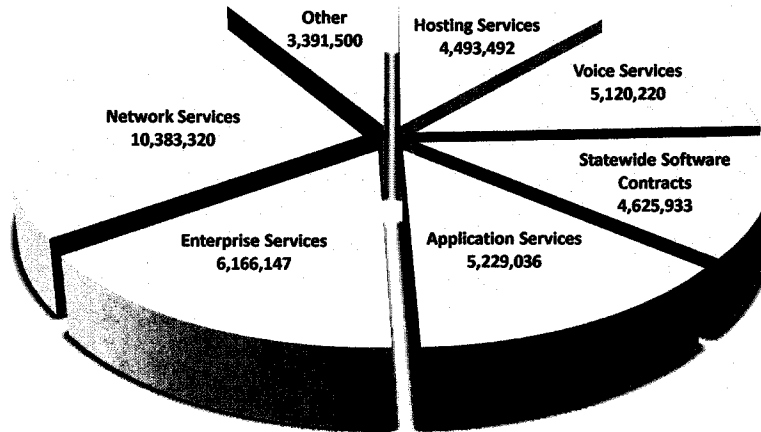
- Over 250 applications for agencies including key business systems for DPHHS, DOR, DLI, FWP, DEQ, and SOS

- **Statewide Software Contracts:**

- Negotiates software asset contracts and passes costs on to the agency

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FY 2012 Projected Revenues



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HB2 Fixed-Cost Reduction

FY10 Base	FY12 Projected	FY13 Projected
\$40,209,096	\$38,930,218	\$39,155,959
Savings from Base	(\$1,278,878)	(\$1,053,137)

Reduction due to efficiency:

- Zero-based budgeting
- Renegotiating and managing of contracts (software, hardware maintenance, etc)
- Computer consolidation (virtualization)

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HB2 Fixed-Cost Rates

Requesting 30-days of working capital
to maintain ongoing operational costs
for the 2013 biennium.

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Key Accomplishments

- Completed construction of 2 major data centers.
- Migrated the division and hosted agencies to the Helena data center
- Achieved \$4.9 million in savings due to 78% computer consolidation/virtualization

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Key Accomplishments *continued*

- Upgraded more than 150 sites and migrated to the new network (SummitNet III)
- Adopted and implemented the Financial Transparency Model (FTM)
- Signed Master Hardware Lease Agreements for enterprise use

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Priorities

- Continue Server Virtualization
- Migrate agencies to the new Data Center
- Enhance Disaster Recovery capability with Miles City Data Center
- Implement the Financial Transparency Model (v.3) and greater service planning
- Pursue cloud computing
- Align IT Strategies with national trends

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Decision Package 55400 (Pg A-181)
4% Personal Services Reduction

Transfers funding for a shared bureau chief position from the General Fund to the Public Safety Radio Program state special revenue fund.

- Reduces General Fund by \$126,563 over the 2013 biennium.

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